

May 2006 Labor Report

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June 16, 2006**

Secretary of Labor Jim Garner today announced the Kansas unemployment rate continued its downward trend in May. Kansas' monthly unemployment rate reached a new low of 4.1 percent, the lowest monthly rate since May 2001. Kansas' unemployment rate is lower than the national rate reported in May. Read more about the Kansas unemployment situation on page 2 and 3 of this report.

Between April and May, Kansas added jobs in several industries as summertime activities increased. Year-to-year, the manufacturing industry continued to improve with ongoing demand in aerospace manufacturing.

For more information, contact Beth Martino at 785.296.0901.

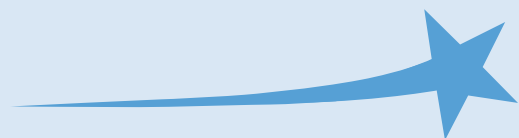
Kansas Economy At-A-Glance

Over the Month Change (April 2006 to May 2006)*		
	Level	Change
May Unemployment	4.1%	-0.1
May Jobs	1,350,400	+5,000
Industry adding most jobs: Government	264,400	+2,000
Over the Year Change (May 2005 to May 2006)*		
May Unemployment	4.1%	-0.8
May Jobs	1,350,400	+1,200
Industry adding most jobs: Construction	67,100	+2,900

*Estimates are seasonally unadjusted.

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National labor market information is available online from the Bureau of Labor Statistics.

Online Features

County Unemployment

Find current and historical unemployment rates for all Kansas counties on the KDOL Web site.

Wage Comparisons

Compare wages for industries and areas in the most recent Employment and Wages publication.

Workforce Planning Guides

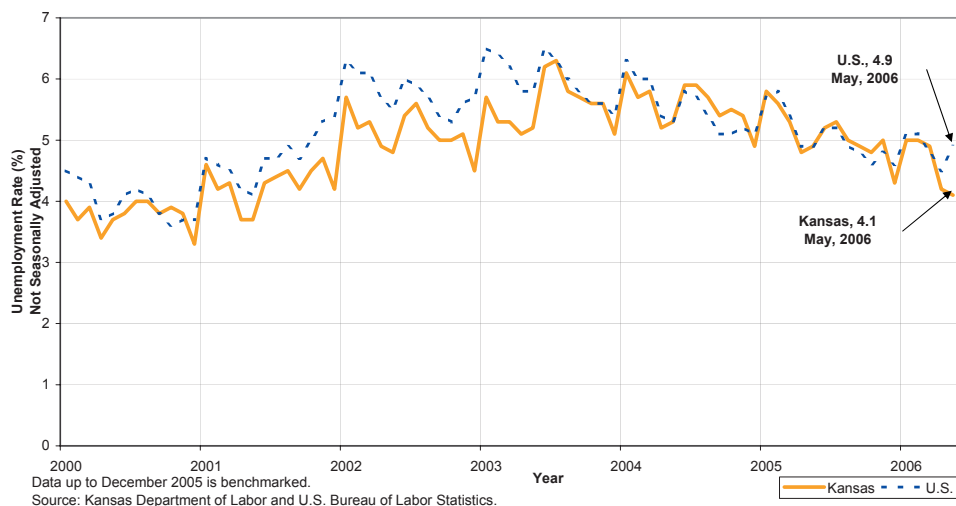
The Kansas Department of Labor publishes Workforce Planning Guides for five areas in Kansas that include information on:

- Population
- Employment and Unemployment
- Vacant Jobs
- Current Wages by Occupation

Find the Workforce Planning Guide for your area on the KDOL Web site.

U.S. and Kansas Unemployment Rate

Figure 1
Unemployment Rate
Seasonally Unadjusted
Kansas vs. U.S.
2000 - May 2006



Since peaking at 6.3 percent in July 2003, the unemployment rate in Kansas has trended downward.

Since April 2003, the seasonally unadjusted unemployment rate in Kansas has been lower than the national unemployment rate for approximately half of the total months.

Last month, 23 states recorded April unemployment rates higher than Kansas, while 22 reported unemployment rates lower than Kansas. Four states reported unemployment rates the same as Kansas.

Kansas' May unemployment rate is 4.1 percent, the lowest recorded

since May 2001. The Kansas unemployment rate for May 2006 is 0.8 percentage points lower than the national rate, as indicated in Figure 1. This is the largest difference between the Kansas and national rates since March 2003.

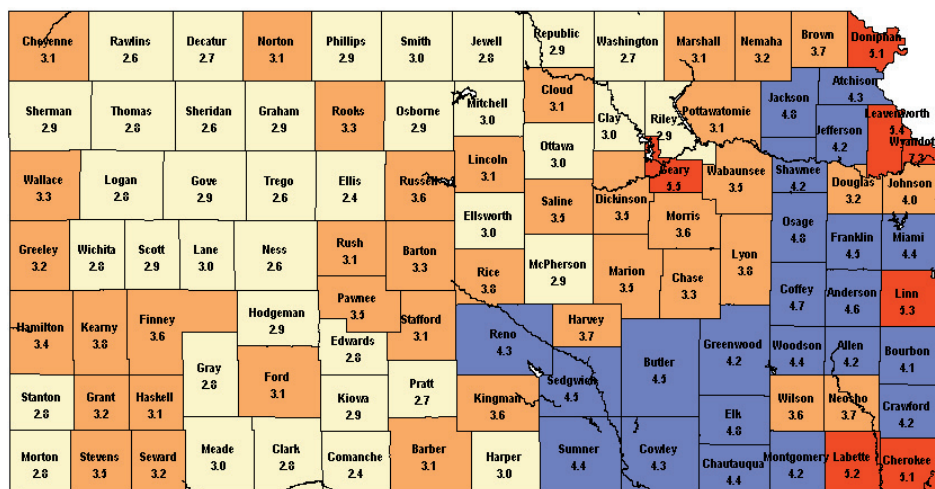
Unemployment rates for Kansas counties are depicted in the map on this page. County rates for prior months and years are available on the [KDOL Web site](#).

Initial unemployment claims in May 2006 increased to 10,375 from 9,139 in April, a 13.5 percent increase. Over the year, initial claims increased slightly from 9,679 to 10,375, a 7.2 percent increase. The total number of individuals receiving payments, however, decreased marginally over the month to 18,703 from 18,712 in April. Over the year, the number of individuals receiving payments decreased by 8.1 percent from 20,350 in May 2005 to 18,703 in May 2006.

Unemployment Rates May

State Rate 4.1%

Counties by Rate



Labor Report Release Dates

Employment and job estimates are released each month, in coordination with the federal Bureau of Labor Statistics release dates. The schedule for upcoming KDOL Labor Reports is listed below.

July 21
August 18
September 20
October 20
November 21
December 22

Employment in Kansas MSAs

	May 2006	April 2006	May 2005
Kansas			
Civilian Labor Force	1,471,174	1,474,872	1,466,474
Employment	1,410,321	1,412,443	1,395,138
Unemployment	60,853	62,429	71,336
Unemployment Rate	4.1	4.2	4.9
Lawrence MSA (Douglas County)			
Civilian Labor Force	62,923	63,013	62,934
Employment	60,927	60,868	60,551
Unemployment	1,996	2,145	2,383
Unemployment Rate	3.2	3.4	3.8
Topeka MSA (Jackson, Jefferson, Osage, Shawnee & Wabaunsee Counties)			
Civilian Labor Force	121,957	122,026	123,434
Employment	116,776	116,475	117,136
Unemployment	5,181	5,551	6,298
Unemployment Rate	4.2	4.5	5.1
Wichita MSA (Butler, Harvey, Sedgwick & Sumner Counties)			
Civilian Labor Force	305,941	307,465	304,653
Employment	292,357	292,928	288,744
Unemployment	13,584	14,537	15,909
Unemployment Rate	4.4	4.7	5.2
Kansas City KS MSA (Franklin, Johnson, Leavenworth, Linn, Miami & Wyandotte Counties)			
Civilian Labor Force	431,062	431,845	431,713
Employment	410,667	412,792	407,930
Unemployment	20,395	19,053	23,783
Unemployment Rate	4.7	4.4	5.5

The KDOL Web site

A variety of labor market information is available on the KDOL Web site. You can find information for the entire state as well as some specific regions within the state. Visit the KDOL Web site to find:

- [Labor Market News Releases](#)
- [Current and Historical Labor Force Estimates](#)
- [Current and Historical Job Estimates](#)
- [The Kansas Wage Survey](#)
- [The Kansas Occupational Outlook](#)
- [Affirmative Action Reports](#)
- [The Kansas Job Vacancy Survey](#)

Questions or suggestions regarding the labor market information on the KDOL Web site can be emailed to laborstats@dol.ks.gov

Kansas Nonfarm Jobs

	May 2006	April 2006	May 2005	Over the Month Change		Over the Year Change	
				Actual	Percentage	Actual	Percentage
Kansas*							
All Industries	1350.4	1345.4	1349.2	5.0	0.4%	1.2	0.1%
Goods-Producing	253.8	252.4	252.0	1.4	0.6%	1.8	0.7%
Natural Resources & Mining	7.6	7.4	7.5	0.2	2.7%	0.1	1.3%
Construction	67.1	66.5	64.2	0.6	0.9%	2.9	4.5%
Manufacturing	179.1	178.5	180.3	0.6	0.3%	-1.2	-0.7%
Service-Providing	1,096.6	1,093.0	1,097.2	3.6	0.3%	-0.6	-0.1%
Trade, Transportation & Utilities	259.1	258.6	262.6	0.5	0.2%	-3.5	-1.3%
Information	38.4	38.5	40.2	-0.1	-0.3%	-1.8	-4.5%
Financial Activities	70.5	70.3	70.4	0.2	0.3%	0.1	0.1%
Professional & Business Services	132.6	133.3	132.7	-0.7	-0.5%	-0.1	0.1%
Educational & Health Services	166.3	165.9	165.5	0.4	0.2%	0.8	0.5%
Leisure and Hospitality	113.5	112.0	113.2	1.5	1.3%	0.3	0.3%
Other Services	53.8	54.0	53.0	-0.2	-0.4%	0.8	1.5%
Government	262.4	260.4	259.6	2.0	0.8%	2.8	1.1%

*Seasonally unadjusted. Data in thousands.

Over the Month Change

Nonfarm jobs in Kansas increased slightly over the month, gaining 5,000 jobs statewide. Most of the monthly gain came in the service-providing sectors which posted an increase of 3,600 jobs.

In service-providing sectors, local and state government combined accounted for approximately 2,000 jobs in the over the month gain. Some of the job increase in local and state government reflect a seasonal upturn. Increased summer activities in the approximately 2,600 parks and recreational facilities managed by local and state governments (county and city level) partially reflect the increase in government employment.* Of the 2,600 parks and recreational facilities in Kansas, there are 24 state parks, with the remaining majority under local government control. According to the 2001 National Survey of Fishing, Hunting and Wildlife-Associated Recreation in Kansas, a study by the U.S. Fish and Wildlife Services, approximately 1.1 million people 16 years and older participated in wildlife-associated recreation in Kansas, generating about \$591 million in revenue throughout the state. This does not reflect other non-wildlife associated recreation such as golf courses, amusement parks and sports facilities. The increase in local and state government jobs and in jobs in the arts and entertainment industry this month partially reflect this seasonal upsurge in summertime activities.

Jobs in goods-producing industries continued to increase for the third consecutive month. Over the month, these sectors recorded an increase of 1,400 jobs. In the goods-producing industries, construction recorded an increase for the fourth consecutive month. Also in this sector, the manufacturing industry continued the upward trend that began in February 2006. Strong demand in durable goods, particularly transportation equipment manufacturing, especially in the aerospace industry, has edged up employment in these industries.

Over the Year Change

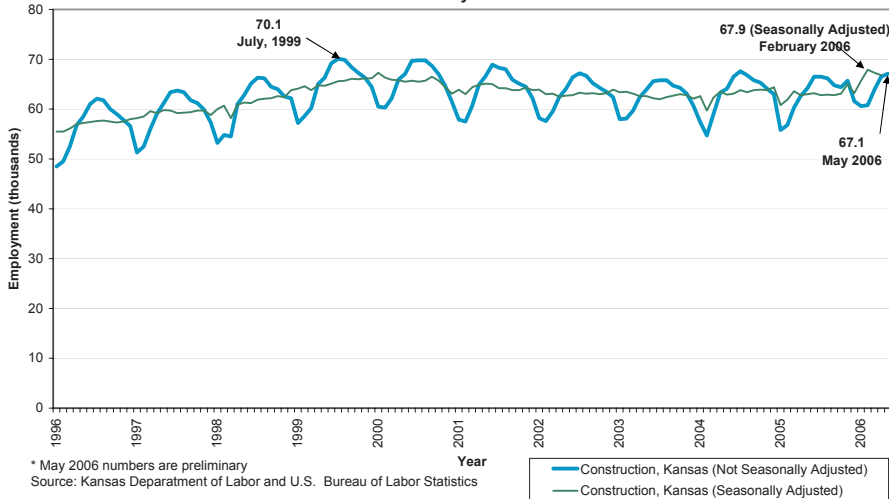
Over the year, nonfarm jobs increased marginally by 1,200 jobs. Goods-producing industries contributed 1,800 jobs, offsetting the loss of 600 jobs in service-providing industries. In the goods-producing industries, construction and durable goods manufacturing recorded notable changes. Demand for transportation equipment, especially aerospace production, boosted jobs in these industries. Government, particularly local government, recorded a notable increase over the year. Overall the government industry in Kansas added 2,800 jobs, with 2,200 of these jobs recorded in local government.

Another notable over-the-year change occurred in the trade, transportation and utilities industries. These industries lost approximately 3,500 jobs, mostly due to the declining retail sector and losses in the trucking and transportation industries, which lost approximately 1,300 jobs each over the year. The losses were mostly limited to the Kansas City MSA.

*Dr. Sid Stevenson, Dept. of Horticulture, Forestry and Recreation Resources, Kansas State University, estimates the number of public parks and recreation areas in the state at 2,600 as of Spring 2006. Updates and final review of his inventory study by agencies prior to publication is currently pending. Links to the completed study "The Kansas Recreation Amenity Inventory and Searchable Map-Server" will be available from the Kansas Department of Wildlife and Parks and numerous other public park and recreation agencies.

Industry Focus: Kansas Construction Industry

Figure 1
Construction Employment (thousands)
Seasonally Unadjusted and Seasonally Adjusted
Kansas
1996 - May 2006*



Note: Each month, the Kansas Department of Labor will provide detailed information on an industry or an aspect of the Kansas labor market of particular interest to the public.

According to preliminary seasonally unadjusted job figures for May 2006, the Kansas construction industry grew at a rate of 4.5 percent over the year. The industry added approximately 2,900 jobs between May 2005 and May 2006. Since December of 2005, jobs in the industry have increased 8.9 percent, compared to a national increase of 3.7 percent during the same period.

Employment in construction has picked up early this year partially due to good weather, a strong housing market and increased economic activity in some parts of Kansas. Although jobs in construction grew faster than the national average over the year, jobs in the industry have not reached the peak of 70,100 set in July 1999, as indicated in Figure 1. However, with the softening housing market, the increase in construction jobs is expected to slow moderately during the coming summer months.

Residential Building Permits

Tracking residential building permits issued in Kansas provides some insight into construction hiring trends. New Privately Owned Housing Units Authorized by Building Permits in Permit-Issuing Places declined in the U.S. from March to April 2006. In Kansas, the number of building permits authorized for privately owned housing units decreased between March and April 2006, from 1,267 to 979. However, when comparing the year-to-

year figures, more permits were issued for privately owned housing units this year than last. Kansas issued 4,234 permits this year compared to 4,108 in April 2005. The decline in permits for new housing units between March and April did not slow down new construction hiring. This trend may hint at increased non-residential construction activities in the state.

Nationwide, the seasonally unadjusted value of construction put in place for residential projects increased 7.8 percent. In nonresidential construction, it increased 10.3 percent.

The U.S. Census Bureau reports the

number of building permits issued at the county level for 10 Kansas counties. While eight of 10 counties reported a decline or no change in new permits for privately owned housing units from March to April 2006, Johnson and Finney counties recorded increased permits. Permits in Johnson County increased from 275 to 320 and in Finney County from 0 to 2. For the 10 counties reported, permits increased marginally from 460 to 463 over the month.

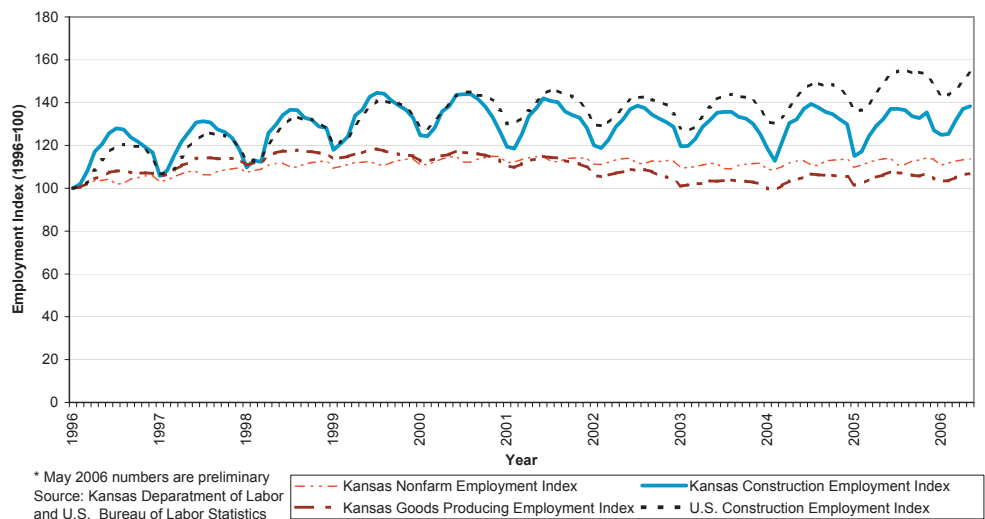
A National Comparison

Figure 2 provides an employment index for Kansas total nonfarm jobs, goods-producing jobs and construction jobs. It also provides the U.S. construction jobs index. The base year for this index is 1996 (1996=100). The construction jobs index for Kansas indicates a growth rate for the construction industry that is higher than the nonfarm jobs and goods-producing index.

The construction index, both in Kansas and in nationwide, exhibits high volatility in jobs relative to nonfarm jobs. This is mainly due to the seasonal nature of this industry. Even though construction jobs have more than doubled in Kansas recently, the Kansas construction employment index lags the national index by approximately 15 points.

The current strength in the Kansas construction industry is helping the state gain ground on national job numbers. This upward trend may also help Kansas reach peak job levels established in the industry in the late 1990s.

Figure 2
Nonfarm, Construction and Goods Producing Employment Index
Seasonally Unadjusted
Kansas
1996 - May 2006* (1996 = 100)



Nonfarm Jobs in Kansas MSAs

	May 2006	April 2006	May 2005
<i>Topeka MSA</i> (Jackson, Jefferson, Osage, Shawnee & Wabaunsee Counties)			
All Industries	111.3	110.8	111.7
Goods-Producing	14.7	14.7	14.5
Natural Resources & Construction	6.1	6.1	6.0
Manufacturing	8.6	8.6	8.5
Service-Providing	96.6	96.1	97.2
Trade, Transportation & Utilities	20.0	19.9	20.1
Information	2.9	2.9	3.0
Financial Activities	7.5	7.4	7.3
Professional & Business Services	8.0	8.2	8.1
Educational & Health Services	16.9	16.8	16.7
Leisure & Hospitality	7.8	7.6	7.8
Other Services	5.3	5.3	5.2
Government	28.2	28.0	29.0

<i>Kansas City KS MSA</i> (Franklin, Johnson, Leavenworth, Linn, Miami & Wyandotte Counties)			
All Industries	429.6	429.1	427.7
Goods-Producing	60.5	60.1	59.1
Natural Resources & Construction	23.9	23.6	22.7
Manufacturing	36.6	36.5	36.4
Service-Providing	369.1	369.0	368.6
Trade, Transportation & Utilities	92.0	92.2	94.8
Information	22.1	22.1	22.6
Financial Activities	30.2	30.2	30.3
Professional & Business Services	66.4	66.7	65.0
Educational & Health Services	48.8	48.7	48.2
Leisure & Hospitality	37.2	36.7	36.3
Other Services	15.4	15.4	14.9
Government	57.0	57.0	56.5

	May 2006	April 2006	May 2005
<i>Wichita MSA</i> (Butler, Harvey, Sedgwick & Sumner Counties)			
All Industries	292.0	290.6	288.0
Goods-Producing	76.7	76.2	76.4
Natural Resources & Construction	16.6	16.4	15.9
Manufacturing	60.1	59.8	60.5
Service-Providing	215.3	214.4	211.6
Trade, Transportation & Utilities	49.8	49.7	49.4
Information	5.8	5.8	5.9
Financial Activities	11.7	11.6	11.5
Professional & Business Services	26.8	26.9	26.3
Educational & Health Services	40.5	40.4	39.8
Leisure & Hospitality	26.8	26.4	26.3
Other Services	12.5	12.5	12.2
Government	41.4	41.1	40.2

<i>Lawrence MSA</i> (Douglas County)			
All Industries	52.4	52.1	52.1
Goods-Producing	6.9	6.8	7.0
Service-Providing	45.5	45.3	45.1
Trade, Transportation & Utilities	8.3	8.2	8.1
Professional & Business Services	4.3	4.2	3.8
Educational & Health Services	6.3	6.3	6.4
Leisure & Hospitality	6.7	6.7	6.4
Government	14.5	14.4	14.9

Current and historical nonfarm job estimates for Kansas and MSAs are available on the [KDOL Web site](#).

Ask the Economist

by Inayat Noormohmad, KDOL Labor Economist

Where do the numbers in the KDOL Labor Report come from?

Each month, KDOL reports two sets of data. One set contains estimates for the labor force, the number of Kansans employed and unemployed as well as the unemployment rate. These numbers are reported for the state, Metropolitan Statistical Areas (MSAs) and other sub-state regions like counties. The other set of data contains nonfarm employment numbers, also known as jobs, for Kansas and MSAs. Nonfarm employment numbers, also referred to as jobs, are reported by industry based on the North American Industry Classification System.

The Household Survey

The data that includes the labor force estimates and employment and unemployment estimates are produced based on a survey of

U.S. households. The Local Area Unemployment Statistics (LAUS) program, a cooperative program between the federal and state government, provides this data for about 7,200 areas nationwide including states, census regions, MSAs, cities with 25,000 population or more, counties and other specified areas.

The federal government conducts a monthly survey, known as the Current Population Survey (CPS), of the population 16 years of age and older, which includes farm and nonfarm workers, self-employed persons and unpaid workers who worked 15 hours or more during the reference week in family operated enterprises. The reference week is the week which includes the 12th day of the month. Nationwide, about 50,000 households are included in the household survey sample.

Based on the information received from the household survey, a model-based approach is used to produce estimates of the size of the labor force and the number of people who are employed and unemployed, both nationwide and for the states. For sub-state levels like counties, the estimates are produced using a building-block approach known as the "Handbook Method" which uses data from several sources, including the CPS, the Current Employment Statistics (CES), State Unemployment Insurance system and the decennial census. For more information on the methodologies used for LAUS estimates visit www.bls.gov

Next month: *A brief comparison between the household survey and the establishment survey.*